

Your cause needs him and he will swear to anything!

In passing, Mr. Secretary, I desire to ask: If there has been no contraction of the currency since 1865, why did General Logan make his able and earnest speeches of January and March, 1874? Why have so many able and earnest men of both political parties, in both houses of congress, and in the treasury department, declared or admitted the fact? Are you not now, Mr. Secretary, testing the intelligence of the American people too severely, when you ask them to accept your official statements in opposition to the testimony of so many statesmen and financiers who have taught or admitted the opposite? In short, Mr. Secretary, how do you account for the general fall of prices of labor and its products since 1865, if there has been no decrease of money as compared with population and business?

In 1888, Senator Plumb, discussing this currency question, said:

But this contraction of the currency, by means of the retirement of national bank circulation, has been going on for more than ten years, and all the committee has to say now is that it has considered some bill, but it is not completed. If the committee will not complete some measure the senate must. If the senate will not, and the other house will not, then the country is going upon the breakers of financial disturbance. As a senator says in my hearing, "it is there now." I think it is there now. We are dealing with a question which has more to do with the welfare of the people of the United States, which is of more concern to them than any other thing that is pending in either house of congress, or which can be pending—the volume of the circulating medium of the country, the value of its property, the difference between debt and bankruptcy on the one hand, and freedom from debt with prosperity on the other.

It is estimated that there are in circulation, including that which is locked up in the treasury and held in the banks as a reserve fund, about \$1,000,000,000, of all kinds of currency of the United States, gold and silver, the overplus of gold and silver certificates, greenback notes and national bank notes, all told, and there are more than \$60,000,000,000 of property which must finally be measured by this volume of currency. It has been contracted during the last year more than 5 per cent. In addition to all that has occurred by reason of abrasion and loss. No man can tell the volume of greenbacks outstanding. Nominally it is \$346,000,000 and a fraction, but that volume has been subject to all the accidents which have occurred during the past twenty-five years, whereby money has been consumed, worn out, lost, and it is doubtful if the amount is really over \$300,000,000 to-day.

But saying nothing about that, the retirement of the national banking circulation during the past twelve months has been 5 per cent. of the total amount of the currency outstanding. There has been during that period a phenomenal depreciation of the prices of property. There has been the greatest depreciation of the price of agricultural products the country has ever known.

The contraction of the currency by 5 per cent. of its volume means the depreciation of the property of the country \$3,000,000,000. Debts have not only increased, but the means to pay them have diminished in proportion as the currency has been contracted. Events based upon non-legislation have proved of advantage to lenders but disastrous to borrowers.

The senator from Delaware (Mr. Saulsbury) the other day spoke with great feeling about the mortgaging of farms in this country. So far as that complaint relates to a general condition, to the lack and to the shortcomings of legislation, it is more nearly related to the diminished volume of currency than to any other one thing.

In June, 1890, Senator Plumb continued the discussion of this subject, as follows:

Let us see, therefore, how much money is available for actual use among the people. From the total of \$1,500,000,000, arrived at as above, must be deducted an average of \$200,000,000, which the treasury always keeps on hand, and about which something has heretofore been said in the debate on this bill, and that leaves as the maximum which can by any possibility be used \$1,300,000,000. There ought, in fairness, to be deducted from this \$150,000,000, error in estimate of gold in the country, which would reduce the money outside the treasury to \$1,150,000,000. From this is to be subtracted the \$500,000,000 kept as reserve, as before computed, leaving a balance of \$650,000,000, which is available for delivery or use in the transaction of the business of all the people, or a trifle over \$6 per capita. But the force of my argument is not materially weakened by conceding the gold coin to be as estimated by the treasury department, which would leave in actual circulation \$700,000,000. In order to make up this amount all doubt must be resolved in favor of the treasury and against the people, both the doubt as to the amount of lost and destroyed notes and that as to the gold supply.

If I were deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed \$500,000,000. Upon this narrow foundation has been built the enormous structure of credit of which I have spoken. It is the greatest of the kind that was ever built, because it was built by the best people that ever built anything. Over twenty thousand millions of debts, the enormous and widely extended business of sixty-five millions of people, all rest upon and must be served by a volume of currency which must seem to the most veteran financier as absolutely and dangerously small.

Senator Plumb was an able republican statesman. He was a national bank pres-

ident and financier. He made the subject of the finances a special study for many years from a practical standpoint. He was no dreamer or wild theorist. He uttered his sentiments in the senate chamber. They were printed in the *Record*. They were then revised by him and placed in pamphlet form for general distribution. I have a copy of that pamphlet on the table before me. After two years of further consideration, practice and observation, the senator again uttered his sentiments in the same able manner, warning the nation against the same financial dangers as before. His sentiments were again printed in the *Record*. They were again revised by him and placed in pamphlet form for general distribution. I have a copy of that second pamphlet before me. Is it possible that our present secretary, or that any sensible man can believe that those able and earnest senators, Logan and Plumb, were wrong, and that there has really been no contraction of the currency as compared with the population, since 1865? Is it possible that the general fall of prices, the increase of bankruptcies in business, the prostration of agriculture, the depression of labor, the losses of the people's homes through mortgage foreclosures, and all those evils which uniformly result from currency contraction, must now be attributed to other causes? Mr. Secretary, in my opinion, you are testing too severely the patience and credulity of a trusting and long suffering people! King George and the slave power committed a similar blunder. King George and the slave power disappeared like frost in the bright sunshine. They tried to save themselves by repressive laws and physical violence. Both failed. Then, if the events of history prove anything, why should the MONEY POWER of to-day hope to save itself by repressive laws, Pinkerton bullets and the hanging of American citizens by the thumbs, while the screws of contraction are still tightening on the volume of the people's money!

King George made his history. The slave power made its history. The money power in this country is making its history. In each struggle there were friends and foes of the people. Mr. Secretary, I beg of you, take sides in this contest so that your posterity will read your history with pride and pleasure! Do not, I beg of you, help to throttle the prosperity and liberties of a great and glorious people, in this greatest struggle of all the ages!

On page 4 of your "letter" you say that you are unable to find the 7-30's among the items of circulation in Secretary McCullough's tables of 1865 and 1866. But on page 8 of your "letter" you give a table from Secretary McCullough's report of 1866, in which I find eighteen varieties of "public debt." This table includes interest-bearing bonds, registered and non-registered; 7-30's; United States notes; fractional currency, etc. On the same page I find another table of the public debt for August 31, 1865. In that table, also, are 7-30's, United States notes, fractional currency, etc.

It appears from those tables that the people are using a part of the public debt for currency or money. The question arises, then, what part?—What portions of the public debt can and do the people use as currency? Evidently that portion or those parts which can be passed from hand to hand, without the trouble of transfer on the register's books. In other words, all United States notes, all fractional currency, all treasury notes, and all coupon or non-registered bonds, can be and will be used as currency. Registered bonds cannot pass from hand to hand except by transfer on the books.

Hence registered bonds are not used as the currency of the people. Now, Mr. Secretary, who is to draw the line between the currency and the non-currency? And shall it be drawn above or below the 7-30's? Gen. Logan draws it above. Many able men agree with him. And many thousands of business men and ex-soldiers, now above sixty years old, agree with him. The people drew the currency line as Gen. Logan did, above the 7-30's, including the 7-30's as money. No historic fact is truer than this. Although they may have been and were treated by the treasury department as bonds, yet, when disposed of by the department, there was no power able to prevent their circulation as money. The fact that they drew interest did not prevent it; it is not unusual for interest-bearing obligations to circulate as money. The circumstance that some of them were not legal tender did not prevent it, as the same lack of tender would stand against all bank notes, which circulate as money. There is but one practicable and effective way of preventing non-registered government obligations from circulating as money. It is to fund them into registered bonds. They then become a fixed investment, beneficial to the bondholders and a burden to the people. Hence, the unseemly haste of the agents of the money power to fund all the obligations of the government into long-time registered bonds. They carried the scheme fully against the 7-30 treasury notes, and other forms of temporary obligations, and even had some success against the greenbacks.

Mr. Secretary, on page 9 of your "letter," you quote from Secretary McCullough in 1867, as follows:

Thus the condition of the country and the treasury determined the policy of the secretary, which has been to convert the interest-bearing notes, temporary loans, etc., into gold-bearing bonds, and to contract the paper circulation by the redemption of United States notes.

After that quotation, Mr. Secretary, you say:

That the conversion of interest-bearing notes into gold-bearing bonds was not a contraction of the currency, is made plain by this brief quotation.

Here we have the "brief quotation" from Secretary McCullough in 1867, to prove that there had been no contraction of the currency. On the other hand, we have the experience of the American people, showing that contraction and its baleful results had proceeded to such a cruel and alarming extent, that, in 1868, the people demanded and obtained a repeal of the contraction law of 1866. It appears, you say, that the various classes of securities paid off or converted into long-time bonds prior to December 1, 1868, amounted to \$1,255,815,081. Now I desire to add, that such portions of that sum as were funded into registered bonds, were taken from the monetary circulation of the country, and were to that extent a contraction of the currency. The recorded experience of mankind at large, and of the American people, is better authority than the written words of even a secretary of the United States treasury. You admit, Mr. Secretary, that there was a contraction of United States notes to the extent of \$58,000,000 between April 12, 1866, and February 4, 1868. In all conscience, sir, when we consider the rapid expansion of the country and population by natural growth and enterprise, and the additions of states and peoples from the south, all requiring money, as described by Senator Logan and President Grant, it does seem that Secretary McCullough's diabolical scheme was a marked success, and he should not have spoken of it as an "unavailing effort." The secretary was entirely too modest. And when we consider the retirement of other forms of currency, it would appear to almost any one that the serpent in

Paradise was scarcely more successful than our modest secretary in 1866-7-8.

You say that no deductions are made for lost and destroyed currency because "the department has no authority to deduct from its liabilities any estimated amount of such losses."

Yet, when the secretary assumes to "estimate" the population of the country, and to "estimate" from month to month the amount of currency in the hands of the people, either with or without law, then those "estimates" and the resultant per capita should be approximately correct. If \$45,000,000 of greenbacks are missing, and if \$150,000,000 of gold has gone to Europe, as claimed by Senator Plumb four years ago, then those items, and numerous others, should be duly "estimated" and allowed proper weight.

If the government requires of the secretary a truthful report, then the secretary should make it truthful. If that is impossible, then he should state the case so that people can make their own "estimate." It is certainly not the part of a public officer to mislead the people, and then ask to be excused on the ground of "no authority" to do otherwise!

Mr. Secretary, we are in the midst of a serious crisis. A leading republican senator has recently said that we are in the midst of troublous times; that a million of men are hunting work; that capital is arrayed against labor; that our glorious land of liberty is fast becoming "the home of the rich and the land of the slave!"

Here, in my beloved state, men are losing their homes through sheriff's sales and foreclosures with frightful rapidity. In four states of this union troops were recently called out to quiet the unrest of the people. In places men and women are dying from starvation and Pinkerton bullets. Let us seek the cause of these distresses. In a ten years' struggle like this in England (from 1816 to 1826), brought on by the contraction of the currency, four-fifths of the land-holders of England lost their lands. And the sufferings of the common people were so great that large additions to the troops were necessary to preserve the peace while men, women and children died of starvation. Similar causes under similar circumstances uniformly produce the same results. The unrest of the great American people proves the fallacy of the statement that there has been no contraction of the currency. All the symptoms of contraction are present.

Mr. Secretary, I am opposed to the death of popular liberty in America, and the erection upon its tomb of a nation of serfs and tenants! This is my excuse for earnest words. Respectfully yours,

JOHN DAVIS, M. C.

Junction City, Kas., Sept. 10, 1892.

A Comparison.

To the Editor of THE ADVOCATE:

The republicans of Rice county had a rally at Lyons on last Saturday, the 10th inst. Ex-Gov. George T. Anthony was advertised thoroughly throughout the county for the occasion. A balloon ascension was also advertised for the same place and date. And with all the drumming up, the rally did not come up to the Populist meeting one week preceding. The Populist gathering outnumbered the republican by four to one, and that notwithstanding a large railroad show exhibited in Lyons on the day before the People's rally. Jerry Simpson and L. D. Lawelling were the People's speakers on the 3d. The speech of Ex-Gov. Anthony on the 10th was one of those characteristic abusive speeches so common to men of his stripe. Upon the whole it proved a gala day for the people.

Lyons, September 12.